

Notice of Public Hearing

Notice is hereby given that a public hearing will be held at the offices of the Arkansas Development Finance Authority (ADFA), 423 Main Street, Suite 500, Little Rock, Arkansas 72201, at 2:30 a.m., Friday, August 20, 2004, to discuss Significant Changes to the ADFA Multi Family Housing Tax-Exempt Bond and Tax Credit Programs.

SUMMARY OF SIGNIFICANT CHANGES Multi-Family Housing Tax-Exempt Bond and Tax Credit Programs

PRIVATE ACTIVITY VOLUME CAP GUIDELINES:

- X Borrower/user of volume cap will be required to covenant that it will provide ADFA with a certificate allocating the proceeds of bonds to expenditures.

QUALIFIED ALLOCATION PLAN (AQAP@):

- X Maximum housing credit allocation is increased to \$400,000.
- X The Assisted Living Set-Aside is increased to \$400,000.
- X The per unit cost cap is increased to \$100,000 for projects other than assisted living projects.
- X A Phase I Environmental Site Assessment is required by all housing credit reservation recipients.
- X Applicants must agree to record a 30-year Declaration of Land Use Restrictive Covenant for Low-Income Housing Tax Credits (Extended Use Agreement) stating that the owner will not apply for relief under Section 42 (h) of the Internal Revenue Code.

MULTI-FAMILY HOUSING APPLICATION:

- X Debt coverage ratio, including replacement reserve, cannot be less than 1.10.
- X Applicants applying for HOME funds and extending HOME affordability period will receive additional bonus points.

Any persons interested may appear at the public hearing at 2:30 a.m. on the 20th day of August, 2004, and be heard for or against. All suggestions will be heard and considered. This hearing is being held pursuant to the requirements in the Arkansas Administrative Procedures Act.